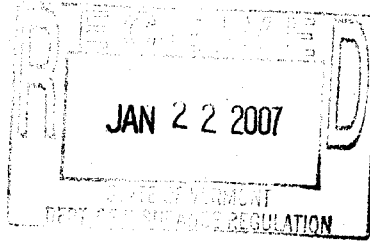


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January 19, 2007

The Hon. Paulette Thabault
Commissioner, Insurance Division
Department of Banking, Insurance, Securities &
Health Care Administration
89 Main Street, Drawer 20
Montpelier, VT 05620-3101

Attn: David Cassetty
Staff Attorney

Re: New England Life Insurance Company Market Conduct Examination

Dear Mr. Cassetty:

MetLife has received the Report on Examination of the New England Life Insurance Company ("the Company"), a MetLife affiliate, and appreciates the opportunity to provide the following information and comments in response to the examiner recommendations.

1.

Examiner Recommendation: The examiners recommend that an audit of the Company's records be conducted under the auspices of the Vermont Department and that the Company initiate procedures to assure that information and documents, which may be requested by the Commissioner and subject to examination, are accurate and readily available.

Company Response: This examiner recommendation relates to some instances in which

the Company was unable to provide requested file documents for review. During the period under examination the Company significantly enhanced its record retention and retrieval process. These enhancements will assure that information and documents, which may be requested by the Commissioner and subject to examination, are accurate and readily available. The Company does not believe that an audit under the Vermont Department's auspices is necessary or warranted.

The Company has significantly enhanced its record retention and retrieval process by implementing an imaging system process for all transactional documents. To assure appropriate system use, training has been provided to relevant Company associates on all aspects of the imaging documentation process. Training has included initial instruction, a refresher course and associate access to online materials. In addition, the Company has an Image Support Team in place to provide any needed "how to" and technical assistance.

The imaging process is an important part of the Company's robust Records and Information Management process, which is applicable to all storage media including electronic, imaged and paper records.

These measures - imaging of transactional documents, the Records and Information Management process and the training that all relevant Company employees undergo - ensure that the Company will be able to readily provide future requested file documents. Accordingly, the Company does not believe further audit under the auspices of the Department is necessary.

2.

Examiner Recommendation: It is recommended that the Company go back as far as the Vermont Department deems appropriate and perform an audit on those claims which are subject to Vermont statutes and recalculate and pay the additional interest due using the statutory rate including interest on the additional amounts due, from the date of the initial claim payment to the date the corrective action is taken.

Company Response: The Company has undertaken an audit of those claims subject to Vermont statutes to determine any additional interest due on such claims from January 1, 2000 to December 31, 2003, the timeframe of this examination, plus an additional period of one year prior to the Examination Period. All payments have been made to those claimants as appropriate.

In addition, revisions were implemented to the Company claims process based upon guidance provided by the Insurance Division. Process and claims system revisions were communicated to the claims reviewers

The examiners have also commented on New England Mutual Life Insurance Company claims which were erroneously included on the life insurance claims list provided the examiners for this New England Life Insurance Company examination (and from which policies 6852658 and 8136326 were selected for review). These claims were part of a

class action under which "class action relief" payments were made involving only New England Mutual Life Insurance Company and not New England Life Insurance Company. As the New England Life Insurance Company was not involved in the class action, the Company believes those claims and related matters are not within the scope of this exam.

We would also like to comment on a statement made by the examiner concerning payments made pursuant to the class action settlement. The examiner states on page 10 of the draft report that NELICO should have paid the statutory rate of interest on "the claim value and the general relief payment for policy #8215885" and "the general relief payments for policies #8136326 and #6852658." Again, these claims relate to a class action settlement involving the former New England Mutual Life Insurance Company, now Metropolitan Life Insurance Company ("NEMLICO").

In the class action settlement, NEMLICO agreed to provide settlement death benefits to certain class members, characterized as "general relief" in the draft report. The benefits provided, for a period of up to 59 months, a new or additional payment to the payee upon the death of a measuring life (designated according to the terms of the settlement). The settlement also provided for interest on the "general relief" payment upon death to be based on the Company's settlement interest option rate. That rate, 4.75% through 2002 and 3.5% thereafter to date, was paid on these claims. The underlying life insurance policies that formed the basis of the plaintiffs' claims were not impacted by this additional benefit, and no additional life insurance policies were issued as a result of the settlement. Rather, the settlement death benefit and interest was a completely separate benefit provided to class members through a negotiated, court ordered settlement. The Vermont claims interest statute is inapplicable to the additional amounts provided through these settlement death benefit payments.

3.

Examiner Recommendation: The examiners recommend that those persons for which the Company failed to provide the right to return the policy within thirty (30) days of the delivery of the contract be afforded a new "free look" period equal to twenty (20) days (thirty (30) days minus the (10) days originally afforded). During the new "free look" period, those affected policyholders should be allowed an opportunity to return their contracts and receive refunds as prescribed by Regulation 2001-3 § 5 A (4).

Company Response: The Company respectfully disagrees with the examiners' recommendation to provide the four policyholders with a new additional "free look" period because the Company could not produce evidence that a full thirty (30) day free look notice was given to them at the time their policies were issued years ago. First, these policyholders were not materially disadvantaged. The Company's policy issue system will generate and print on the cover of the policy a minimum ten day free look in all instances in all states, unless a longer period is required. Therefore, the policyholders did receive notice of the right to return the policy for a refund. The Company's experience is that that

the percentage of policies returned for a refund during the free look period is extremely small and does not vary significantly based on the length of the period or whether the policy was issued as a result of a replacement transaction. As indicated during the examination, there were four policies returned for a free look refund, none of which were issued as a result of a replacement. The Company attributes these minimal numbers to good sales practices as a result of its comprehensive training and to the Company's extensive compliance programs related to replacement.

Second, the Company believes providing a free look period to these policyholders approximately four years after issue may not be in the best interest of the policyholders. All of these policies are in force with premiums paid. The four policyholders have received periodic statements and none have complained to the Company about any aspect of their insurance or their relationship with their agent or the Company. However, providing a free look offer now (several years later) might have undesirable and unintended consequences, including forfeiture of policy benefits. Also, replacement coverage may be unavailable or less advantageous at the client's current age.

The Company enhanced its procedures during the exam period to assure that it will be able to produce evidence in any future examination that the thirty (30) free look notice was given to policyholders.

4.

Examiner Recommendation: The Company's application should be amended in order to fully comply with the requirements of Regulation 2001-3 § 4 C. including an inquiry as to whether the applicant has any existing annuity contracts.

Company Response: During the exam period the Company provided producers with information on Regulation 2001-3 and trained producers to inquire about existing life insurance **and** annuity coverage. Thus, producers would determine whether existing life or annuity coverage existed and, if so, provide the Replacement Notice even though the complete question was not included in some applications.

Since the examination period, the Company has discontinued the applications used for the referenced policies that inquired as to existing life insurance policies but did not inquire as to existing annuity contracts. The Company has either discontinued or replaced these applications with new applications that inquire about both existing life and annuity contracts in accordance with Regulation 2001-3 § 4 C. Therefore, the applications today comply with Regulation 2001-3.

5.

Examiner Recommendation: It is recommended that the Company amend its procedures in order to assure that the specific requirements of Regulation 2001-3 § 4 D. are met by notifying the producer and applicant when necessary to fulfill the outstanding requirements of the replacement regulation.

Company Response: The examiner acknowledges the Company's prior indicated action on page 21 of the Report. The Company reiterates that it has enhanced its procedures to assure that the both the producer (including the agent and sales office management) and applicant are notified when necessary to fulfill the requirements of Regulation 2001-3 § 4 D and § 4 G.

6.

Examiner Recommendation: The Company should modify its procedures by sending the notices required by Regulation 2001-3 § 6 C., upon receipt of a request to borrow, surrender or withdraw any policy values where a replacement is involved.

Company Response: The Company has enhanced its procedures to ensure that the notices required upon receipt of a request to borrow, surrender or withdraw any policy values where a replacement is involved are provided to policy owners as required by Regulation 2001-3 § 6 C. Appropriate notices are automatically system generated based on an indication of proposed replacement.

7.

Examiner Recommendation: The Company should ensure that they retain evidence that they notified the existing insurer within five (5) business days as required by Regulation 2001-3 § 5 A. (2) and retain copies of the illustration as required by Regulation 2001-3 § 3 E.

Company Response: The Company is aware of the requirements of Regulation 2001-3 and has implemented an enhanced underwriting system process to provide notification to the existing insurer in all instances within 3-5 days (§ 5 A) and to ensure receipt of and retention of documentation including the illustration (§ 3 E).

For the replacement notification to the existing insurer, the Company's underwriting system notifies the underwriter of this requirement. Communication of the proposed replacement transaction is targeted for mailing within three business days, but will be forwarded within the five business days provided. A dedicated team within the underwriting office monitors replacement transactions to ensure compliance with the five day time requirement.

Prior isolated instances of delay beyond five business days have usually been due to outstanding application requirements. Regulation 2001-3 §5 A 2 provides that notification is required "within five business days of receipt of a *completed* application..." (emphasis added).

For illustration retention, the Company has reminded its New Business Operations to ensure that an illustration for the state in which the policy is to be issued is submitted with the application for insurance. The Company's dedicated replacement team monitors receipt of the illustration and its imaging and record retention pursuant to state and Company records retention requirements. The Company currently packages a form for identification of any company approved sales materials used during the sale with the application for life insurance. The producer is also reminded to provide a copy of the sales illustration with the application. The Company does not anticipate reoccurrence of such findings.

With respect to Policy # 4400354672, as previously indicated, the Company disagrees with the Examiner's findings that such file did not "contain a copy of the illustration as required by Regulation 2001-3 §3 E." Because this was an annuity and no illustration was provided, there was no such violation of Regulation 2001-3 §3 E.

8

The Company should improve its procedures for responding to consumer complaints so as to avoid further unreasonable delays in furnishing substantive replies to complaints from its policyholders.

Company Response: The Company's objective is to provide a high level of service to all policy owners and acknowledges that the 2 complaints cited by the Examiner should have been resolved more quickly. However, the Company did maintain appropriate complaint procedures and, other than for these isolated instances, believes it was responsive throughout the examination period. The Company's commitment to service is further evidenced by continued enhancements to its procedures for responding to consumer complaints. Enhancements include increasing the number of employees dedicated to reviewing and responding to complaints, streamlining procedures and providing additional training to the Company's Consumer Relations staff. In addition, since the examination period, the Company has installed a new electronic complaint recording and monitoring system. For these reasons we do not believe this issue will recur.

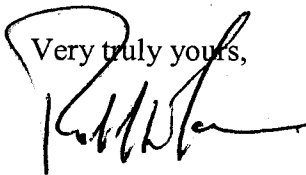
Copies of procedures, other materials or additional information is available for the Department's review on request: (Recommendation 1) the Company's document imaging system and Records and Information management process; (Recommendation 2) claims procedure; (Recommendation 3) Free look provision; (Recommendation 4) Existing life

and annuity coverage application replacement question; (Recommendation 5) Notice to producer and applicant on outstanding requirements /Replacement; (Recommendation 6) Notice to policy owner upon receipt of request / Replacement; (Recommendation 7) Notice of proposed replacement to existing insurer and retention of sales illustration / Replacement; and (Recommendation 8) Consumer complaints.

The Company is committed to doing business in an ethical and compliant manner and assures the Insurance Division that the Company continually monitors its compliance with all regulatory requirements. Our compliance efforts are spearheaded by a Corporate Ethics and Compliance Department and its approximately 370 associates who are dedicated full-time to compliance issues. The Company has implemented process improvements and taken appropriate actions based on the examination Report.

Thank you for consideration of the Company's comments. Please feel free to contact me should you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. DiLorenzo', written over the closing 'yours'.

Robert F. DiLorenzo
Assistant Vice President